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KNOW ALL MEN BY THESE PRESENTS: That Wm. T. Burton, husband of Ethel Lewis, a resident of Calcasieu Parish, Louisiana, hereinafter called transferrer, for and in consideration of Ninety Thousand (\$90,000.00) Dollars, cash in hand paid by The Texas Company, a corporation of the State of Delaware, does hereby sell, transfer and assign unto said The Texas Company, hereinafter called transferee, the following described oil, gas and mineral lease:

That certain lease bearing date January 23, 1936, and State Land Office No. 335, executed by the State of Louisiana in favor of W. T. Burton, covering and bearing upon the following described lands and water bottoms situated in the Parishes of Plaquemines and St. Bernard, State of Louisiana, to-wit:

"All of the lands, beds and bottoms of all of the rivers, creeks, bayous, lakes, lagoons, bays, coves, sounds, and inlets, including all islands, belonging to the State of Louisiana and not under lease from said State on the date of application, to-wit, November 18, 1935, situated in the Parishes of Plaquemines and St. Bernard, State of Louisiana, comprised and embraced within the area lying East of the Mississippi River, and bounded as follows, to-wit:

"Beginning at the intersection of the East bank of the Mississippi River with the Parish line dividing the Parish of Orleans and the Parish of St. Bernard, in the Southeastern Land District East of the Mississippi River; run thence easterly along said Parish line to the intersection thereof with the West bank of Lake Borgne; thence meandering the West and South banks of Lake Borgne in a southerly and easterly direction to the dividing line between Lake Borgne and Mississippi Sound; thence in a northerly direction along the dividing line between said Lake Borgne and said Mississippi Sound to the intersection of said dividing line with the State line between the State of Louisiana and the State of Mississippi, as established by decision handed down by the Supreme Court of the United States of America on April 23, 1908, in suit entitled State of Louisiana v. State of Mississippi, reported in 202 U. S. 1, 26 Sup. Ct. 408, 50 L. Ed. 913; run thence in an easterly direction along said State line to the extreme limit or boundary of the domain, territory and sovereignty of the State of Louisiana; thence in a southerly direction along said territorial limit of the State of Louisiana to a point due East of the mouth of Pass a Loutre; thence due West to the mouth of Pass a Loutre; thence meandering said Pass a Loutre to the intersection of said Pass with the Mississippi River, about 2 miles South of Pilotown; thence in a northwesterly direction along the East bank of the Mississippi River to the intersection of said East bank with the Parish line dividing Orleans Parish and St. Bernard Parish, the place of beginning.

"There is included in this adjudication all such property now or formerly constituting the beds or other bottoms, and including all land and islands, belonging to the State of Louisiana and comprised and embraced within said area, and particularly Bastien Lake, Raphael Pass, Paddy Bay, Bull Bay, Octave Pass, Dead Woman Pass, Brant Bayou, Main Pass, Delta Bend, Bay Denesse, Quarantine Bay, Cuselich Bay, Bay La Mer, California Bay, Auguste Bay, Cox Bay,

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Little Coquille Bay, Grand Coquille Bay, Grand Bay, Breton Sound, American Bay, Black Bay, Lake Callebasse, Lake Jean Louis Robin, Lake Coquille, Lake Machias, Lake Fortuna, Lake Amede, Lake Athanasio, Elci Bay, Chandeleur Sound, Lake Elci, Christmas Camp Lake, Lake of the Mound, Morgan Harbor, Whitelock Lake, Skiff Lake, Twilight Harbor, Scow Pass, Martinbox Bayou, Lake Eugenie, Treasure Bay, Lawson Bay, Shell Island Lake, Fishing Smack Lake, Drum Bay, Conkey Cove, Indian Mound Bay, Kerchimbo Bay, Keelboat Pass, Liveoak Bay, Fox Bay, Red Fish Bend, Elephant Pt. Pass, Cranetown Bay, Mississippi Sound, Le Petit Pass, False Mouth Bay, Blind Pass, Nine Mile Bayou, South Bayou, Three Mile Bay, Three Mile Bayou, Nine Mile Bay, Bay Rodreau, West Karake Bay, Johnson Bay, N. W. Jack Williams Bay, Greque Bayou, Turkey Bayou, Drum Bayou, Johnson Bayou, Grand Island Pass, Deep Pass, Chino Bay, S. E. Jack Williams Bay, Jack Williams Bayou, Oyster Bay, Grand Pass, and Cat Island Channel:- this particularization, however, not being or intended to be all-inclusive."

There is reserved, however, from this assignment, and not included herein, all right, title and interest in and to said lease hereinabove referred to and described, insofar as it covers and bears upon the following described land and water bottoms situated in the Parish of Plaquemines, State of Louisiana, to-wit:

Township 17 South, Ranges 15 and 16 East, and Township 18 South, Range 15 East, Southeastern Land District of Louisiana, East of the Mississippi River.

1. As an additional consideration for the transfer and assignment of said lease herein transferred, said transferee agrees to pay to transferor concurrently with the payment of the rental stipulated in Article I of said lease to be paid to lessor, the sum of Fifteen Thousand and no/100 (\$15,000.00) Dollars cash, said sum to be paid to transferor annually as and if said rental under said lease is paid by the transferee herein to said lessor, until said transferee shall begin operations for the drilling of a well in search of oil, gas or other mineral upon said leased premises.

2. If and when transferee has begun drilling operations upon said leased premises and continues said operations in accordance with the provisions of said lease, then and in that event transferee agrees to pay to transferor the sum of Fifteen Thousand and no/100 (\$15,000.00) Dollars for the entire acreage embraced in said lease, less the twenty thousand (20,000) acres described in sub-paragraph (b) of Article II of said lease, said sum to be paid to transferor annually as and if said rental under said lease is paid by the transferee herein to lessor.

3. If and in event transferee begins operations for the drilling of a well upon a second area located upon said leased premises and continues said drilling operations in accordance with the provisions of said lease, then and in that event transferee agrees to pay to transferor Fifteen Thousand and no/100 (\$15,000.00) Dollars for the entire acreage embraced in said lease, less the forty thousand (40,000) acres described in sub-paragraph (d) of Article II of said lease, said sum to be paid to transferor annually as and if said rental under said lease is paid by the transferee herein to lessor.

4. If and when transferee shall commence operations

for the drilling of a well upon a third separate area located upon said leased premises, then and in that event transferrer shall not be entitled to any annual payment so long as operations are conducted continuously upon all three separate areas in accordance with the terms and conditions of said lease.

5. If transferee should at any time decide that it does not wish to continue drilling operations upon any one of said three separate areas, then and in that event transferee shall have the right to cease such drilling operations upon any one of said three separate areas, but in such event agrees to resume the payment to transferrer provided under paragraph 3 hereof.

6. If transferee should at any time decide that it does not wish to continue drilling operations upon any two of said three separate areas, then and in that event transferee shall have the right to cease said drilling operations, but in such event agrees to resume the payment to transferrer provided under paragraph 2 hereof.

7. If at any time during the five (5) year period of said lease and prior to production of oil, gas or other mineral in paying quantities, transferee should begin drilling operations upon said leased premises and should thereafter cease such drilling operations for more than ninety (90) days, then and in that event if transferee exercises its rights to resume rental payments to lessor, as provided for in Article I of said lease, said transferee agrees to resume the payments to transferrer of the sum of money provided for in paragraph 1 hereof.

8. As a further and additional consideration of the transfer and assignment of said lease herein transferred, the transferee agrees that if and in event it shall discover and produce oil, gas and/or other minerals from said leased premises and water bottoms, it will in that event pay and deliver to transferrer an undivided one-twenty-fourth (1/24) of all of such oil, gas and/or other minerals produced and saved therefrom, as an overriding royalty, over and above the royalty to be paid to lessor in said lease, and which said overriding one-twenty-fourth (1/24) royalty shall be paid or delivered to said transferrer in the same manner as the royalty provided in said lease is paid to the lessor; it being distinctly understood, however, that no obligation is imposed on transferee to develop said leased premises nor to drill any well or wells thereon, save at its own option and election, it being understood that said overriding royalty on oil and/or gas shall be computed on the net quantity thereof produced and saved, after deducting any that may be used for operations on said leased premises.

9. Transferee shall pay or tender to transferrer, or to the credit of transferrer in the Calcasieu - Marine National Bank at Lake Charles, Louisiana, or its successor (which bank and/or successor bank is transferrer's agent), all sums contemplated herein to be paid to transferrer by transferee, including all royalty payments, and all such payments or tenders may be made by the check or draft of transferee mailed or delivered to said bank or transferrer on or before such date of payment.

10. It is warranted by transferrer that he has a good title to said lease, that the same is at this date a valid and subsisting lease, and that the recited consideration in said lease has been actually paid.

11. Transferee has the right at any time, at its election, to surrender or abandon said lease in whole or in part, without liability of any kind whatsoever, and it is agreed that in the event transferee elects to abandon or surrender said lease, or any part thereof, instead of surrendering the same back to lessor it will reassign back to transferor said lease or such part thereof as is intended to be surrendered or abandoned, under the following conditions:

Transferee agrees to give transferor not less than thirty (30) days written notice of its intention to so abandon said lease or any part thereof prior to the next ensuing rental paying date or date upon which drilling is required under the terms of said lease. Transferor shall then notify transferee in writing, within twenty (20) days of the receipt of such notice, of his intention to accept or reject such reassignment, and failing so to do, transferee may immediately, without liability hereunder, release said lease or any part thereof to the lessor, it being distinctly understood that in event of such surrender or abandonment to lessor or to transferor, transferee shall thereupon be relieved and released from any and all further obligations to the lessor and to transferor hereunder, including the annual payments referred to in paragraphs 1, 2 and 3 hereof, to be made by transferee to transferor in so far as the property released back to lessor or to transferor is concerned, anything in this assignment to the contrary notwithstanding. In the event transferor elects to accept such reassignment transferee will, upon such notification, promptly furnish transferor a recordable instrument of reassignment, transferor to obtain the official approval of such reassignment, it being agreed and understood, however, that transferee shall have a reasonable time thereafter for the removal from said lease or reassigned part thereof any and all of its movable property placed thereon by it under the terms of said lease.

12. In no event shall transferee be obligated against its wish or option to drill or otherwise carry on operations under said lease.

IN WITNESS WHEREOF, this instrument is executed in triplicate originals on this 21 day of January, 1936.

Witnesses:

L. Brown

L. Brown

Wm. T. Dutton
Transferor

THE TEXAS COMPANY
By B. C. Stewart
Transferee.

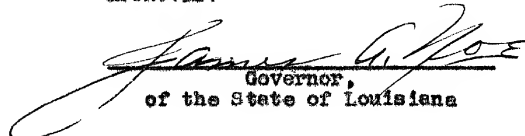
Baton Rouge, Louisiana.

February 14th
~~January 14th~~, 1936.

I hereby approve the foregoing instrument, with the distinct understanding and agreement that the transferee shall be bound and obligated to carry out all the terms and conditions of the original lease from the State of Louisiana to W. T. Burton dated January 25, 1936, and bearing No. 335 in the office of the Register of the State Land Office, in so far as it concerns the property described in and covered by said instrument.

Furthermore, the violation of or the failure to comply with the terms of the original lease prior hereto by the original lessee or prior assignees shall not be cured by the consent by the State to this instrument.

APPROVED:


Governor,
of the State of Louisiana

Witnesses:

Oddie E. Weale
A. P. White

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STATE OF LOUISIANA

PARISH OF Calcasieu

BE IT KNOWN, that on this 31st day of January, 19 36, before me, the undersigned authority, and in the presence of Wm. T. Burton and Wm. T. Burton, competent witnesses, personally came and appeared Wm. T. Burton, who acknowledged unto me, said authority, in the presence of said witnesses, that he is the identical person who signed and executed the foregoing instrument in writing; that the same is his own free and voluntary act and deed; that he executed the same for the purposes and on the conditions and terms therein expressed.

Thus done and passed in the Parish of Calcasieu, State of Louisiana, on the day and date first above written, in the presence of the above named and undersigned witnesses, who have hereunto subscribed their names, together with said appearer, and me, said authority, after reading the whole.

Witnesses

Wm. T. Burton

Wm. T. Burton

Notary Public in and for the Parish of Calcasieu
State of Louisiana

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STATE OF LOUISIANA
PARISH OF Calcasieu }

BE IT KNOWN, That on this 31 day of February, 1936, before me, the undersigned authority, and in the presence of the witnesses hereinafter named and undersigned, personally came and appeared R. O. Stewart, Division Manager of The Texas Company, Division Manager

to me well known, and known to be such, as such, and executed the foregoing instrument, and thereupon the said R. O. Stewart, Division Manager of The Texas Company, acknowledged that he had signed and executed the same as his act and deed, and as the act and deed of the said corporation, for the consideration, uses and purposes and on the terms and conditions therein mentioned and in his said capacity.

And the said R. O. Stewart, being by me first duly sworn, did depose and say that he is the Division Manager of The Texas Company

and that he signed and executed said instrument in his said capacity, and under authority of the Board of Directors of said corporation.

Thus done and passed in the Parish of Calcasieu, State of Louisiana, on the day and date first hereinabove written, and in the presence of J. B. V. W. V. competent witnesses, who have herunto subscribed their names as such, together with said appearer and me, said authority, after due reading.

Witnesses:

[Signature]
[Signature]
Notary Public in and for the Parish of Louisiana
of Calcasieu, State of Louisiana

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